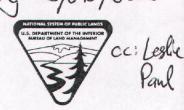
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United States Department of the Interior

BUREAU OF LAND MANAGEMENT Salt Lake Field Office 2370 South 2300 West Salt Lake City, UT 84119 ph: (801) 977-4300; Fax: (801) 977-4397 www.ut.blm.gov/saltlake fo



In Reply Refer To: 3809, (UTW011) UTU-089534

MAY 28 2013

CERTIFIED MAIL - 7009 2250 0000 8795 0363 RETURN RECEIPT REQUESTED MAY 2 9 2013

DIV. OF OIL, GAS & MINING

Robert Steele 1065 North 400 East Nephi, Utah 84648

Dear Mr. Steele:

We have completed the initial review of your Plan of Operations (POO), for your mining activity located in T. 10 S., R. 7 W., NW1/4NW1/4 of Section 34, SLB&M, and serialized it UTU-089534 and have determined it to be incomplete at this time.

You will need to correct the following deficiencies before we can approve your plan.

Part 2 – Description of Operation and Reclamation; You failed to describe how you plan to address any topsoil/growth medium in your project area, a description of your motor and hoist and tripod and how they were going to be installed and operated, what equipment would be used for your mining activity, including explosives, chemicals, water etc. and where support equipment/vehicles (fuel storage, tools, vehicles, equipment) were going to be placed and stored (please include schematics and or maps). You state that your access route will follow the existing road, but in the Plan you submitted you failed to identify the route on a map and what improvements, such as widening, limbing of trees, or blading you intend to make to the route so we can confirm whether or not these improvements are relevant to your mining operations.

In Part 2, you failed to go into enough detail on how you are going to reclaim your operation at the conclusion of mining, i.e., Topsoil salvage, handling and replacement, pit/shaft backfill, recontouring, seeding, monitoring and anything else that would be pertinent during reclamation.

Also in Part 2, you failed to provide a schedule from project start-up through final closure, identifying major phases such as development, mining, processing and reclamation.

Part 3 – Monitoring Plan, Resource Conditions to Monitor: You stated "To be determined," and failed to check any element on the checklist in the "Resource Conditions to Monitor" element box. Even though your operation appears small in scale, you should at least check the "Vegetation or reclamation conditions" element (monitor for noxious weeds during and after your mining and reclamation) in the element box. This will need to be completed by you.

Part 4 – Interim Management Plan: This would tie in with Part 2, a schedule from start to finish, with how the area will be managed during periods of inactivity longer than 30 days.

Part 5 – Reclamation Cost Estimate: You stated a reclamation cost estimate of \$1,000, but it appears that you failed to go through the checklist in the "Reclamation Cost Estimate Elements" box in Part 5, of the form you submitted. Please look closely at the elements involved in calculating a reclamation cost estimate. Also, in a letter from the DOGM dated December 19, 2012, to you it states for one acre of disturbance the reclamation cost estimate would be between \$7,900 with a 3-year escalation, to \$8,100 with a 5-year escalation. The Salt Lake Field Office, Bureau of Land Management (BLM) concurs with either of those amounts if you choose accept those figures.

In addition, you will also need to inform this office who your third party contractor would be to complete the cultural clearance and threatened and endangered plant and animal clearances that are required and to prepare the environmental assessment on the impacts to the human environment from your planned mining activity.

Once these deficiencies are corrected we can resume the approval process for your plan of operations.

If you have any questions or concerns with anything discussed in this letter please contact Larry Garahana, Salt Lake Field Office Geologist at (801) 977-4371.

Sincerely,

Michael G. Nelson

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Assistant Field Office Manager

Non-Renewable Resources

cc: Leslie Heppler Utah Division of Oil, Gas and Mining, 1594 W. North Temple, Ste. 1210# Box 145801 SLC, UT 84114-5801